

FISCAL NOTE
SB 1168 - HB 1678

March 7, 2003

SUMMARY OF BILL: (1) Establishes the *Professional Fire Department Employees Negotiations Act* giving professional firefighters the right to join or form professional employee organizations to negotiate with municipalities about matters related to their employment; (2) outlines the election procedure to determine which organization, if any, will represent the employees; (3) outlines unlawful activities for both parties including prohibiting strikes by the employee organization; (4) specifies the aspects of employment that are negotiable; and (5) describes the procedure for approval of the memorandum of agreement between the parties and the procedures for mediation and arbitration in the event of failure to reach an agreement.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures* - Exceeds \$100,000

Estimate assumes:

- there are 59 fire departments in Tennessee that have 10 or more full-time paid firefighters. These departments are assumed to be the most likely to join or form a professional employee organization.
- local governments would experience an increase in expenditures for some or all of the following sources if firefighters in their jurisdiction choose to join or form a professional employee organization:
 - additional personnel for labor negotiations. Services of a professional negotiator are estimated to cost \$75 per hour with an estimated 20 hours required for contract negotiation per department that has organized. Local governments with larger fire departments may need to hire full-time personnel.
 - litigation costs resulting from alleged unlawful acts under this legislation. Specialized legal services are estimated to cost at least \$125 per hour. The number of hours of service will vary depending on the number of departments organizing and the legal problems that arise.
 - mediation and arbitration costs (local governments responsible for half). The services of a mediator or arbitrator are estimated to cost \$125 per hour. Mediation may continue under the provisions of the bill for an unspecified period of time. An arbitrator's recommendations must be made within 30 days of the arbitrator's appointment.
 - salary and benefits enhancements as agreed to by the parties.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director